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EVALUATION OF THE CRAB INDUSTRY DIVERSIFICATION PROGRAM -- PARTNERS 2000

SUMMARY
FINAL REPORT

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1. INTRODUCTION

Our mandate is to assess to what extent we have succeeded in promoting the creation of new and particularly long-term jobs for surplus labour.

It also includes evaluating the effectiveness of the measures taken, i.e. operations of the Employment Adjustment Centre and the programs developed by both levels of government for job creation.

We accomplished this by using the documentation supplied to us by the New Brunswick Department of Labour as well as Employment and Immigration Canada and by consulting officials active in managing the program along with other people in the field.

Furthermore, we interviewed both employers and employees to determine their level of satisfaction.

Finally, to become more familiar with the context surrounding this special program, we examined numerous documents dealing specifically with the development of the target areas and the fishing industry.

This report consists of three parts: the facts and results of Partners 2000 implementation; the context surrounding this effort; and our recommendations.

2.0 FACTS AND RESULTS: PARTNERS 2000 1988

First, we have to arrive at a quantitative and qualitative evaluation of the jobs created by the various programs that have been developed and the training programs attached to them in some cases. Next we will draw a profile of the labour force targeted by these programs and try to assess the level of satisfaction of the employers and employees involved by them. This section concludes with an evaluation of the system used to implement the effort undertaken and a look at how the programs that have been developed can be improved.

2.1 NEW AND LONG-TERM JOBS CREATED

The effort was aimed at three regions which were defined in our mandate as Kent County, the Southeast and the Acadian Peninsula.

The Government of New Brunswick used two Partners 2000 programs to create jobs: the Industrial Diversification program which includes a regular component as well as another aimed specifically at fish processing plants, and the Entreprises program. In addition, the Government asked various Departments to design projects and proposals were received from Fisheries and Aquaculture; Tourism, Recreation and Heritage; and Commerce and Technology.

Only unemployed individuals who had been looking for a job for at least four weeks immediately prior to hiring were eligible to apply for the jobs being offered. The fishing industry was exempted from the four-week criterion.

The Federal Government used one of its Job Strategy programs: the Job Development subprogram, which is intended for workers who have been employed for 24 of the preceding 30 weeks, and provides them with training and work experience.

In all, these programs created 1,334 jobs: 1,036 in the Peninsula, 226 in Kent and 72 in the Southeast. Provincial programs accounted for 895 of these jobs and the federal program created 439.

At the time of our survey, it was impossible to determine the exact number of person/weeks actually worked for two reasons: some projects were still underway and, for those that had ended, the data was still incomplete.

Nonetheless, we can arrive at an approximate figure by comparing the number of jobs actually created to the number of approved jobs. If we multiply the resulting percentage by the number of approved person/weeks, the product is the approximate number of person/weeks actually worked.

According to our survey, therefore, 10,481 person/weeks were generated in the Acadian Peninsula for an average of 10.1 weeks of work per new job; 2,533 person/weeks in Kent County for an average of 11.2 weeks per new job; and 1,134 in the Southeast for an average of 15.8 weeks per new job.

Hence in all three regions, 14,148 person/weeks were generated for an average of 10.6 weeks per job, with 74% of them in the Peninsula, 18% in Kent and 8% in the Southeast.

The weeks generated by each program were as follows:

	Pers/wk	%
Industrial Diversification (general)	596	4.2
Industrial Diversification (fisheries)	3,734	26.4
Entreprises	2,548	18.0
Commerce and Technology	12	0.1
Fisheries and Aquaculture	900	6.4
Tourism, Recreation and Heritage	149	1.1
Job Development	6,209	43.9
New Brunswick total	7,939	56.1
Federal total	6,209	43.9
Grand total	14,148	100.0

The Federal Job Strategy program was especially effective. Most of the projects benefiting from the program came from non-profit organizations (municipalities, recreational associations, religious groups, etc.), accustomed to submitting proposals and capable of assembling one quickly.

The Industrial Diversification program aimed at fish processing plants also produced results. Companies simply had to add on a production line handling a product which, in principle, was new and, because of their expertise, this could be done rather fast.

Furthermore, the Entreprises program had a major impact. It can swiftly spawn jobs in the service sector, particularly when it only requires creating one or two jobs in an existing business.

The Industrial Diversification program is slower at yielding results. The steps required for new production are relatively longer and more complex.

Meanwhile the projects submitted by the three provincial Departments were useful activities capable of being developed in a relatively brief time span.

The cost per person/week in the Peninsula is $231.40 for the provincial programs and $319.92 for the Federal program. The corresponding costs in Kent are $130.64 and $362.68, and $114.83 and $376.92 in the Southeast.

At first glance, the person/week costs of the provincial programs are high, especially in the Acadian Peninsula. This is due to the fact that the projects developed by the three provincial Departments created jobs mainly in the Peninsula and covered employees' full salaries as well as all travel expenses.

The person/week costs of the Federal program are higher because it covers up to 100% of the salaries paid as well as $50 per person/week for general supply costs, etc., and as much as $125 for all projects approved before July 1, 1988.

In summary, the Provincial Government spent $1,522,163, to which we must add the costs of operating the Shippagan Employment Adjustment Centre. This represents 76.1% of the $2 million budgeted at the outset for an average of $193 per person/week created. For the reasons cited above, however, these figures are approximate and will have to be finalized once all the projects have been completed and all claims have been received, verified and paid. The Government of Canada spent $2,018,074, or slightly more than its initial $2 million commitment, for an average cost of $325.02 per person/week created.

According to the agreement signed between Employment and Immigration Canada and the New Brunswick Department of Labour, the aim was to create new long-term jobs by diversifying existing resources; at the very least, through the jobs they created, the projects were to improve the employability of participants so as to facilitate the long-term development of the target regions.

This generous long-term objective supports another much more immediate and not officially acknowledged one of allowing program participants to accumulate the requisite number of work weeks to become eligible for unemployment insurance benefits.

These two clearly contradictory objectives risked dragging the program towards compromises in which short-term concerns would gain the upper hand.

In principle, the person/weeks created were new, including 2,630 in existing operations and 11,518 in new ventures. We must, however, qualify that statement slightly. For one thing, some of those jobs were created by opting for production parallel to what already existed in other plants, thereby creating unfair competition; moreover, in at least one case, the plant revived a production line that had been abandoned several years earlier; to which we must add that, after interviewing employees, it became apparent to us that some of them were such an integral part of

the business as to be completely ignorant of the fact that they were the beneficiaries of a special government project; finally, 45% of the weeks generated in the fish plants involved common crab processing. This production is interesting in itself because it is not mechanized and therefore requires an abundance of labour. However, most producers who benefited from a common crab project were already processing them on a more or less trial basis. On the other hand, it would be prudent to obtain more data on this species and its markets before boosting production any higher. And while the project assumed that the employer would guarantee the persons hired 40 hours of work, in most cases it became clear to us that the employer could not keep these people working full- time on that production for the indicated number of weeks because there was not always a sufficient amount of the resource. The projects did, however, allow plants to process other species, including lobster, and to give their employees additional work hours once production of the main species had ended for the day.

With respect to determining whether these jobs would have been created even without the assistance of special programs, we estimate that in 80% of the cases, the jobs would not have been created without program support; in 12% of the cases, the jobs would have been created regardless of the programs; and in 8% of the cases, there would probably have been some job creation, but on a smaller scale.

Were the new jobs also viable ones, capable of being maintained in the long term without the assistance of a job creation program?

We estimate that nearly all the community projects (except for two) under the federal program, the three Departmental projects and several under the two Industrial Diversification programs are short-term projects ending as soon as program funding has been collected and spent. We calculate that 8,000 person/weeks, or 56.7%, fall into this category, plus one quarter of the jobs created under the Entreprises program, or another 4.4% of the weeks created. In all, 61.1% of the weeks created will not be renewed and are identified as short-term employment.

The remaining jobs, according to our conversations with employers, will be maintained. This applies to most of the projects under the Industrial Diversification (fisheries) program (with one or two exceptions), as well as to most projects under the general Industrial Diversification program, with one exception. In all, 38.9% of the jobs created in 1988, or roughly 5,638 person/weeks, will continue providing employment in 1989 without any further financial assistance. One must remember, however, that in the case of common crab, it is not clear whether

we were able to generate the promised number of hours and weeks of work for it seems that in most cases, this production made for additional workhours after processing of another species had ended.

Failing improvements in the areas of supply (and fishing techniques) and the market, one can question whether this type of production can generate the expected work next year. This production has therefore, in some cases, not met the criteria assigned to the program (full-time with a minimum of 35 hours per week of continuous work during a season); nonetheless, it gave employees the opportunity to become eligible for unemployment insurance benefits.

The officials responsible for the program pointed out, however, that production is still at an experimental stage, that this production has proven very profitable in other provinces and that, for the time being, more research is appropriate. This production proves to be an attractive way of diversifying the fishing industry, with eight fish plants already becoming involved through the program.

As for the eight other fish plants that took advantage of the program, their diversification has little bearing on more advanced fish processing (with the exception of chowder production).

Turning to the other projects approved under the Diversification program aimed at the fishing industry, two peateries are offering a new product -- a mixture of peat and fertilizer. Another in the farming sector involves processing strawberries: the producer supplies sliced frozen strawberries to McCain's. This gives it interesting potential. Finally, the last project involved a peat processing company repatriating its packaging operations, formerly located outside the area. This resulted in a clear gain of permanent jobs, although company officials informed us that the project would have gone ahead anyhow.

As for the general Diversification program, we can talk about real diversification in most cases, with three exceptions.

Have we succeeded in diversifying by transferring employees working in the fishing industry to other activity spheres with long-term prospects? Here we must admit that the results are very modest. Within the general Industrial Diversification program, if we disregard projects directly related to the fishing industry and those not involving steady jobs or that were a relative flop with fish plant workers, we can identify 24 jobs that represent a transfer of fishery employees to other activity spheres. As for the Industrial Diversification program aimed for

fisheries, three projects actually transferred employees from fisheries to other fields of work: these were ventures by Jiffy Products (N.B.), Fisons Western Corporation and Tourbe Chiasson. Given the fact that the company filled some of the jobs created by these projects with their own laid-off workers, we therefore estimate that 32 jobs were filled by hiring fishery employees.

In all, 56 jobs have been permanently transferred from the fishing industry to other activity spheres. This is a rather modest result compared to the surplus labour in the fishing industry. For instance, that number barely represents 3% of the workers registered at the Shippagan Employment Adjustment Centre.

The Entreprises program may also have succeeded in hiring a number of fishery employees even though it was not a program requirement. Assuming that 96 jobs were created by this program in the target areas and that one quarter of those jobs went to fishery workers, this amounts to an additional 24 transferred jobs for a total of 80.

The Federal program, with its private-sector projects, succeeded in transferring workers from fish plants to other activity spheres: about a dozen people were hired to make Christmas wreaths and will likely be rehired in 1989.

Meanwhile few of the community projects have viable long-term potential. The two we think do are a day care with one employee and a summer restaurant in Lamèque that hired 19 people, only nine of whom will be kept on for next year's operations. It should be noted, however, that this restaurant has a five-year contract and is not profitable, for the time being, without financial support from the government.

In summary, industrial diversification involving the transfer of jobs from the fishing industry to other activity spheres offering viable long-term employment affected approximately 80 people through the provincial programs and at most 20 through the federal program. We are therefore talking about a maximum of 100 jobs.

It will take considerably more to have a significant impact towards achieving the desired structural change, i.e. a reduction in the number of workers in the fisheries sector by transferring them to other spheres of activity. If we aim, for example, to transfer 2,000 people, it would have to be done 20 times over and, at that rate, the transfer would take some 20 years.

2.2 TRAINING

All the Employment and Immigration Canada projects included a training component. In most cases, they offered a three-week course in Life Skills aimed at teaching "general and specific work-related skills" and how to "set personal and professional goals that correspond with their interests and abilities and are compatible with the situation in the job market" (See Job Development program presented by the Community College, p. 1).*

As a general rule, both community project officials and the workers responded favorably to these courses. Several community project officials informed us, however, that the training sessions were of no value to them because they did not prepare workers for the specific tasks for which they had been hired. Most officials complained about the fact that in most cases the training was given at the start of the project, thereby depriving them of valuable weeks of outdoor work while the temperature was still mild. In some cases, Employment and Immigration agreed to eliminate the problem by shifting the course to the end of the project. On the other hand, many officials gave the training course a very positive evaluation and spontaneously told us it had very much helped the personal growth of the people enrolled in it by encouraging them to further their education or look for full-time work. On the other hand, it failed to benefit some employees, who said they got nothing out of the course. And at least one person had to drop the course because he was utterly lost for not knowing how to read or write -- which points to the problem of combatting illiteracy.

For some community projects, a training component more directly related to the work involved in the project was added (carpentry, metric system, etc.), or plans were simply made for on-the-job training. People were generally satisfied with the courses that were offered, yet emphasized that on-the-job training should be subsidized because an employee's productivity is not very high at that stage, making the entire operation more expensive; the problem of employee turnover was also singled out: an employee could quit after several weeks of on-the-job training and one then had to start from scratch with a newcomer.

* Reviser's Note: Passages (quotations) marked with an asterisk have been translated by the Bureau. This text does not contain a bibliography, and references to bibliographical sources are so vague that the documents could not be identified.

In six cases, private companies also received training, including four that obtained assistance under the Industrial Diversification program. This training was provided on the job and focused on specific tasks that had to be performed. All these companies emphasized to us that programs of this type should share costs with the employer because of an employee's low productivity at the outset and the considerable time it takes to train them. Another problem they stressed was a lack of motivation in many cases: employees often saw themselves as working on a government project set up to get them the stamps they needed for UIC benefits. Some employers opted for a shorter training program at full pay, which gave them more flexibility in keeping on only the best workers.

2.3 PROFILE OF FISHING INDUSTRY WORKERS

We attempted to probe a variety of sources to draw a profile of fishing industry workers since no thorough general portrait of that group exists. We approached the unions, who only had fragmentary and incomplete information. Turning to the fish plants, it was difficult to gather the information we wanted because not all of them were prepared to give it to us and anyhow, what they did have was less complete than what we were looking for. Nonetheless, we obtained data from the two largest fish plants in the Peninsula and extrapolated certain traits that we will use for comparison with the more general statistics we found. Ultimately, we settled on three prime data sources:

- Shippagan Employment Adjustment Centre statistics on the 1,750 Peninsula plant employees who were out of work and had registered there. These figures have serious limitations, however; they only cover some of the employees from Peninsula plants and none in Kent County and the Southeast. All the same, they do include fish plant workers who are in most need of work and will probably eventually be reoriented into other activity sectors.

- the November 7, 1988, report of Unemployment Insurance beneficiaries through the cooperation of Employment and Immigration Canada; by using the postal codes covering the entire east coast of New Brunswick from Charlo to Cape Tourmentine, we had all recipients who were collecting unemployment insurance after working as a fish processor, i.e. cleaning, cutting or skinning fish by hand. This report also has its limitations; the territory it covers is slightly larger than the one assigned to our study and does not include people who might have worked in a fish plant but had to work elsewhere to

complete the eligibility requirements for unemployment insurance benefits. Nor do these figures include people who worked in fish plants yet failed to collect the requisite number of weeks to draw benefits. Thus a number of fish plant workers are not covered by these statistics.

- 1986 Census statistics from Parts I and II, booklets 94-107 and 94-108 of census data on New Brunswick by census division and subdivision; even these figures have their limitations since they are already two and a half years old; moreover, specifically in its survey of labour market activity, the census covers the situation in the week ended June 3, 1986. Yet at that time, economic activity is at its peak in the areas under study and the census unemployment figures fail to reflect the general situation prevailing there.

Furthermore, to complete our portrait and occasionally crosscheck it, we used four other sources of information:

- the data from a summer 1988 study by the Department of Income Assistance aimed at determining the potential employability of some of its Peninsula beneficiaries;

- several statistics on school dropouts from three school commissions;

- a profile of employees at the Cooperative plant in Lamèque and the Connors plant in Shippagan through the collaboration of those two leading Peninsula fish plants;

- some figures from a study done for a clothing manufacturer planning to set up operations in the Tracadie region.

2.30 SHIPPAGAN EMPLOYMENT ADJUSTMENT CENTRE

Three of our variables -- sex, residence and education level -- are based on 1,566 Centre records while our statistics on age are extracted from 1,743 files.

Nearly half the people registered, or 45.5%, come from the area covered by Shippagan-les-Iles School District No. 6, 33.5% from Tracadie District No. 7 and 16.6% from Caraquet District No. 5. Another 4.4% come from the Chaleur area.

They are mainly women (71.9%), although the percentage of men in School District No. 6 is significantly higher (41.1%). This clearly reflects the fact that fish plant workers are mostly

women, as Unemployment Insurance statistics confirm; nonetheless, among the people registered at the Adjustment Centre -- people who in principle usually worked in fish plants yet were unable to find work -- the percentage of women is slightly higher, which seems to indicate that women have more trouble finding jobs outside the fish plants.

The Centre classified people by age into two groups: those under 25 and those over 25. There were 593 people (34%) under 25 and 1,150 (66%) over 25. The percentage of men under 25 (59.6%) was much higher than women (22.2%) in every region.

In the area of schooling, the women clearly have more education than the men. Thus 11.8% of the men had five years or less of schooling compared to 5.3% of the women; 59.7% of the men had eight years or less of schooling -- the accepted definition of functional illiteracy -- compared to 42.4% of the women; three quarters of the men (75.2%) and 59.5% of the women had nine years or less and only 11% of the men and 22% of the women had at least finished Grade 12. As we will see below, Adjustment Centre registrants clearly have a lower level of education in all the target areas than the general population: 39.6% of the Peninsula's population is considered functionally illiterate.

We have already established that over 593 people registered at the Adjustment Centre are under 25; these individuals therefore went through the school system during the past ten years and entered it around 1969, i.e. when the Equal Opportunity program was getting underway; now we only have 296 people who have at least completed Grade 12 in the entire group. We can therefore conclude that the group registered at the Adjustment Centre included a large number of high-school dropouts, even recent ones. Our aim with these numbers is to indicate the extent of the school dropout phenomenon, especially among men. If the Centre specifically reached the most vulnerable fish plant workers, any recycling of these people to other types of jobs will necessitate a solid dose of education.

2.31 UNEMPLOYMENT INSURANCE COMMISSION

The Unemployment Insurance Commission provided us with its November 7, 1988 report on unemployment beneficiaries, which enabled us to identify all recipients who owed their benefits to working in a fish plant as a fish preparer or cleaner, cutter or

skinner. We obtained this information organized by the following postal codes:

- E0B, which covers the northeast coast from Charlo to Pokemouche (including Shippagan-les-Iles) except for the city of Bathurst;

- E2A, the city of Bathurst;

- E0C, the area from Tracadie to Baie-Ste-Anne and inland as far as Doaktown, except for the towns of Chatham and Newcastle;

- E0A, Kent and Westmoreland counties, except for the Dieppe-Moncton urban area.

Hence none of the postal zones exactly matches the three areas defined in our study; the Peninsula is covered in part by E0B and in part by E0C; Kent lies partly in E0C and partly in E0A; and finally, the Southeast occupies the rest of E0A. Yet the statistics are very important for a better knowledge of the east coast population working in the fish plants.

Now in all the postal zones described, there were 44,468 unemployment insurance beneficiaries, 6,048 (13.6%) of whom derived their benefits from working in a fishery: 3,176 of those were in zone E0B (20.7%) and 1,987 in zone E0A (11.5%).

Two thirds of the beneficiaries are women (66.6%), which confirms Adjustment Centre statistics. One finds, moreover, that the percentage of women is even higher in the Southeast (E0A), which corroborates the fact that at the Adjustment Centre, the percentage of men was particularly higher in School District No. 6.

As to age, the beneficiaries are relatively young, with half the women (50.2%) and 64% of the men under 35. This population is significantly younger, for both sexes, in E0B, and especially E0C, than in E0A. The average age among women was 34 years in E0C and 35 in E0B for fish preparers, and 35 in E0C, 36 in E0B and 37 in E0A for the other categories; the average age of men in the first category was 31 years in E0A and 33 in E0B, and for the second category, 31 in E0C, 32 in E0B and 35 in E0A.

The Unemployment Insurance figures very clearly reveal the fact that the women in every region are paid much less than the men and have less insurable weeks. The women earn between 59% and 67% of what the men do, depending upon the region. Furthermore, the women worked an average of 11 to 13 weeks compared to 12 to

15 for the men, depending upon region and job category. These weeks tended to be more numerous in the Southeast, where 16 weeks of work were required for Unemployment Insurance eligibility compared to 10 in the Peninsula.

To calculate a worker's average annual income, we assumed 12 weeks of work at a weekly salary of $277, the highest found in the Unemployment Insurance figures. Accordingly, that person's annual income would be:

12 weeks at $277:	$3,324
38 weeks of $166 in benefits:	$6,308
Annual income:	$9,632

Obviously, based on the lower income prevalent in Kent and the Southeast, where most employees are nonunionized and earn considerably less than in the Peninsula, a woman who worked for 11 weeks at $230 would have an annual income of $7,912.

Finally, a man earning the average maximum income, or $497 for the average maximum number of insurable weeks (15), would end up with an annual income of $17,885.

In all three cases, more income stems from Unemployment Insurance benefits than salary, which only accounts for 34.5% of annual income in the first case, 32% in the second and 41.7% in the third. It should come as no surprise that unemployment insurance is a vital source of income for these people and that their salaries are simply a ticket to UIC benefits. And according to UIC figures, those three cases quite accurately reflect the minimum and maximum income levels of typical fish plant workers, most of whom are represented by the first two cases, since women constitute a clear majority in the industry.

2.32 STATISTICS CANADA

According to Statistics Canada, average family income is $37,827 in Canada, $30,527 in New Brunswick, $27,723 in Gloucester, $25,631 in Kent and $33,206 in Westmoreland. Plant workers on the whole earn less than the average salary for their region, even if UIC benefits are included. Based on the cases described above, if we assume a husband earning $17,885 and a wife $9,632,

we arrive at a family income of $27,517 -- approximately the average salary in Gloucester and higher than in Kent. Yet in this case, as we have seen, the woman would be earning substantially less. Both examples are based on maximum salaries; average salaries are lower.

According to the UIC statistics, 6,016 fish plant workers are collecting benefits on New Brunswick's East Coast. Yet according to the Department of Fisheries and Aquaculture, in 1987 Regions 1 and 2 (i.e., the east coast) had a maximum of 11,135 plant employees. The beneficiaries would therefore represent only 54% of the Department's number. We assume that the number of fish plant workers is probably inflated in the figures customarily used, possibly because the same employee is counted twice in some cases, either due to working in two plants or on two production lines within the same plant.

According to 1986 census figures, the Acadian Peninsula (including all of New Bandon and Alnwick parishes) had 6,305 people in the manufacturing sector. From this number, we must subtract employees of peateries and other manufacturers; according to the Economic Expansion Commission of the Peninsula Inc., in 1986 the Peninsula had 817 employees in peat processing and 1,162 in other manufacturing, whereas 6,432 were working in the fish processing industry. This organization therefore concluded that there were 8,411 jobs in the manufacturing sector -- an overestimate of 2,106 workers. In assuming that at least 1,000 jobs in the manufacturing sector are not fish-related, on the basis of the Statistics Canada figures we can estimate that there are 5,305 jobs in fish processing, or 1,127 less than PEEC's number. The Department of Fisheries and Aquaculture refers to 6,648 plant employees in Region 1; taking away those living in the Chaleur area, which we estimate at about 400 based on the number of employees at the only local fish plant in Petit-Rocher and some others (about 100) who might live north of the Chaleur area, that leaves us with approximately 6,148 fish plant employees in the Peninsula. On the basis of the census and UIC statistics, we think the real number is nearer 5,000.

We are inclined to believe we find similarly inflated figures in Kent and the Southeast, and that instead of the 11,135 fish plant employees cited by the Department of Fisheries and Aquaculture for the East Coast, it would be closer to the truth were we to estimate their number at about 8,500. To obtain more accurate data in this area, every report would have to include each

worker's Social Insurance Number and once the names were fed into a computer, it could keep only names with different Social Insurance Numbers.

We calculated that the program implemented in the summer of 1988 created approximately 1,334 ten-week jobs; this represents about 15.7% of east coast fish plant workers, based on a total of 8,500 jobs at all the plants.

2.33 OTHER SOURCES OF INFORMATION

In the summer of 1988, the Department of Income Assistance undertook a study to determine the potential employability of some of its beneficiaries in the three regions of the Peninsula.

The educational statistics confirm the need that exists there. Most of the subjects questioned (66%) had less than ten years of schooling, another 15.3% had completed Grade 10, 8.7% Grade 11 and 10% finished high school.

We also extracted the Department beneficiaries in the Peninsula who are considered able to work; of the 384 cases listed, 135 had worked in a fish plant before collecting Income Assistance benefits and 26.7% of these had 6 years or less of schooling while 53.3% had completed Grades 7 to 9.

Given the income a worker can expect to earn from a job in a fish plant compared to what he or she can collect from the Department of Income Assistance, there is no clear incentive to work.

In the best of cases, a person dependent on Income Assistance will have an annual income of about $7,548 (case of a single mother); this same person could, by going to the fish plant, earn a salary and UIC benefits of about $8,160, but she would have to cover transportation and child care costs so that her net income would likely be less than what she collects from Income Assistance.

The Department study attempted to identify the advantages and disadvantages of these people working. For example, 46% are single and therefore have a considerable degree of freedom, but 28% are single-parent families whose mobility is highly restricted (child care, transportation, etc.). The hindrances include lack of education and motivation. It is estimated that 64% have no technical obstacle (babysitter, transportation, equipment, etc.) and 73% have no health problem. The report also concludes that because of the educational levels found, one should start thinking about "a solution based on remedial education." (p. 31)*

Shippagan School Commission No. 6 provided us with some figures on the school dropout problem. Thus in 1985 only 66.5% of the 1973 enrolments graduated in District No. 5 (Caraquet), 47.4% in District No. 6 (Shippagan) and 52.1% in District No. 7 (Tracadie). District No. 6 monitored school dropouts from 83-84 to 87-88; they range from 83 in 84-85 to 108 in 83-84, and in all 468 youngsters dropped out of high school during those five years.

Two plants -- Connors of Shippagan and Lamèque Cooperative Association -- supplied us with November 1988 statistics on their employees. The two of them combined have 1,596 employees, or about one quarter of all fish plant workers in the Peninsula. Now women constitute a majority at both Connors (56%) and the Co-op (64%); in terms of age, 6% (58) of the Co-op workforce and 1% (8) at Connors are under 19, which confirms that some of these workers, particularly men, might have left school before Grade 12. As for the other age groups, 5% at Connors and 19% of Co-op workers are 20-24, 70% and 60% respectively are 25-44, and 24% and 12% in the 45-64 bracket.

On the whole, this data already confirms what we found elsewhere: most employees are women, who are relatively young yet older than their male colleagues. We also noted earlier that the percentage of men in the industry tends to be higher in the Shippagan area; the figures supplied by these two plants confirm this.

In spring 1987, no less than 1,370 people showed up to fill out job applications for a future garment-sewing plant. Nearly all of them were women (less than 100 men).

Now 47.9% of these individuals had nine years or less of schooling and 64.6% lived in the immediate Tracadie-Sheila area and another 10.4% nearby in the St-Isodore region.

CONCLUSION

On the whole, the various information sources we tapped agree: workers in the fishing industry are mainly women who are relatively young, with an average age of about 35, less educated than the general population but more than the men working in the same plants. Their income is clearly below the poverty line and they see their working conditions getting worse, since they can expect a declining number of workweeks, and weeks with a shrinking number of workhours. We can consider them a group of workers facing a crisis.

2.4 EMPLOYER SATISFACTION

We conducted 52 interviews at 27 private companies, 22 community projects and three Departments. Hence we contacted the vast majority of people in charge of projects approved under the Industrial Diversification and Employment and Immigration programs.

The three groups questioned agree on at least one point: the programs being offered and the mechanisms that were established are adequate, apart from the exceptions which we will discuss. Two Departments were especially in touch with these people: Employment and Immigration Canada and the provincial Department of Labour. Aside from one case, no one complained about Department personnel; some went out of their way to stress the availability of the officials involved, and even as far as offering unsolicited praise.

The biggest complaint, heard mainly from private companies not involved in fish processing, is directed at the employer's obligation to hire people referred by the Employment Centre; this gives rise to all kinds of problems: poor productivity by these workers; their attitude of being accustomed to projects and lack of understanding for how private business operates -- an attitude that caused them to refuse management orders, claiming it was a government project designed to get them the required stamps, and an attitude that created tension among the companies' regular employees and risked "contaminating" the company with the "project and stamp syndrome"; employee turnover with many leaving as soon as they had acquired the necessary stamps; a clear drop in productivity once they had their tenth stamp; and higher absenteeism than among regular employees. Many employers gave us specific examples of performance, comparing "them" to their regular employees.

In fact, these private companies fall into two categories: those who got burned and swear never to get involved in that approach again unless they can select their employees; and those who had problems yet nonetheless ended up finding the workers they needed by picking them from a much large group referred by the Employment Centre and associating them on the job with the company's regular employees.

A different attitude prevails among fish plant managers who, on the whole, are satisfied with the program and did not face the problem of having unwanted employees forced on them because they drew their selection from their own laid-off workers.

Both private sector groups voiced the following complaints:

- the forms are too complicated; simplify them; when two levels of government are involved, arrange for only one form;

- too much time required to approve a project or issue payments;

- lack of flexibility, e.g. common crab cannot be produced for 40 hours because there isn't enough of it; these people are therefore used for other production to guarantee that they work 40 hours, but the payment only covers the hours they worked on crab;

- problem of seniority: employees hired for special projects were taken from lists of laid-off workers, who are usually the people with the least union seniority; then one has to guarantee these people 40 hours of work while regular employees with more seniority often cannot work that many hours -- which creates tension among employees.

In the course of our research, we also met business people who complained about unfair competition due to the fact that a competitor's salaries were being subsidized for production they were already handling without a subsidy.

As for the projects carried out by community organizations, we only heard a few complaints, including the one about not being able to select their own employees. Some municipalities with high unemployment found themselves forced to hire outsiders who had to travel for more than an hour to get to work. This created local tension and frustration. They would also like to see officials help project heads fill out the forms so as to avoid endless traipsing between the Department and the agency. Another problem stressed to us on numerous occasions is the delay in approving a project, particularly when outdoor work was involved. Several people told us about three to five-month delays. A large number of these project heads stressed their disappointment that the amount for supplies had been cut to $50 per person/week from $125 before. They argue that this amount is clearly insufficient, particularly since discretionary municipal subsidies have shrunk considerably. This is viewed as a basic problem in the years ahead for any agency interested in submitting a project. Many also complained about the fact that

the training does not satisfy the project's direct needs, although on the whole they agreed that it was good for the employee. They also asked that the Life Skills training course be given at the end of the project in order to have as many weeks of good weather as possible for outdoor work. Several officials pointed out to us, however, that the 1988 program was a clear improvement over the previous year's, in which the municipality or agency had to bear the costs of supplies and cover the costs of working capital, since the payments for salaries were only issued at the end of each month.

Of the 27 private companies we questioned, 14 told us that they would have carried out their diversification plan even if there had been no program, yet many hastened to add that they could not have done it on the same scale. Thirteen companies would not have gone ahead, the main reasons being that it was becoming too risky to go ahead or that it wasn't profitable without a helping hand.

None of the community organizations would have undertaken their project without the support of a special program and the same applies to the three Departments.

As for employee performance, 16 private companies said they were satisfied; most of these are fish plants using their own workers. Six were very dissatisfied, stressing lack of productivity, absenteeism, negative attitude, etc.; these are all companies that do not operate in the fishing industry and had to hire from lists of fish plant workers. Finally, three cases were more or less satisfied after encountering problems building a reliable team and/or a lack of productivity.

Turning to the community projects, 16 agencies were satisfied; some even stressed that they were very satisfied with their employees' performance and spontaneously praised them. Six organizations were generally satisfied, yet still qualified it because some employees, usually a minority, had caused problems.

The three Departments said they were moderately satisfied. The Fisheries and Aquaculture official said he was satisfied and cited the training given at the start of the project as an important factor in employee development. One notes, however, that the daily performance objectives were not very high. Tourism, Recreation and Heritage experienced problems at the start because many workers thought they didn't have to work to "earn their stamps". This called for rather firm action at the outset and close supervision. After that, things went reasonably well with each employee having to fill out interview questionnaires for 35 to 40 visitors per day. Finally, Commerce

and Technology, which had two employees for six weeks, was satisfied with the work they did. They received two days of training at Fisheries and Oceans before starting and handled their duties well.

Fifteen private companies had employee turnover attributed to the fact that the workers had collected their stamps and were looking for an excuse to leave. In twelve other cases, mainly fish plants, there was no turnover. Several fish plant managers, however, told us very freely that they laid off employees as soon as they had their stamps if that's what the worker wanted. Some employers with no turnover still said they would have liked to lay off some workers with whom they were dissatisfied, yet kept them on for fear of losing the promised subsidy.

Seven of the community organizations experienced turnover because of stamps or for other reasons: lack of skills, unsatisfactory performance or another job opening. One group showed us that it took them 30 workers to fill 19 jobs and noted the fact that these people "didn't want to do anything". At 15 other projects, there was no turnover.

The Departments report that there was no turnover except on one project -- the biggest, which in hiring its personnel found out how many stamps they needed and laid them off as soon as they had their tenth; it therefore had a high turnover rate.

All of the private companies did a financial evaluation, which turned out positive in most cases and inclines them to continue the same production next year. Crab producers, however, cited the fragile profitability of the product and the market.

Most companies and organizations had no problem finding the workers they needed, at least at the start of the season. As the workers became eligible for UIC benefits, it became harder. About ten said they had problems finding employees interested in working for several weeks.

An overwhelming majority of both private companies and community organizations said they were very interested in submitting a new proposal in 1989. Most community agencies have a list of projects just waiting for a fresh chance to be submitted and, in most cases, claim they can organize a project within a week or two. There is concern, however, about the budget restrictions imposed by the Department of Municipal Affairs, which might limit their ability to cover part of the costs of the necessary supplies and equipment, and they would like to see the material

allowance for projects raised back to $125 per person/week. Seven private companies, however, plan new production next year and crab producers hope they will again be eligible to continue that production. In the private sector, the time required to plan a new activity is longer and involves months, sometimes even years. This makes it important for Departments offering programs to approach these companies right at the beginning of 1989.

2.5 EMPLOYEE SATISFACTION

From the list of people registered at the Shippagan Employment Adjustment Centre and those received from employers in Kent and the Southeast, we randomly drew 50 names in the Peninsula and ten in Kent and the Southeast. These people were interviewed in their homes on the basis of an interview guide. They were promised the utmost confidentiality. We also met with officials from two unions active in the fish plants.

In general, we can say that many of these people are worried about their future in the fish plants, suspicious of anything they perceive as a threat to their unemployment insurance and alienated, seeing themselves as somewhat left to fend for themselves in a quandary that primarily concerns them, yet about which they are very rarely consulted.

We also found factors that lead us to believe there are instances of stamps being trafficked in various ways: trades among employees, agreement with the employer, accumulation of hours worked during several weeks in one week, etc. It is very difficult, however, to prove these cases because people are reluctant to talk, and even more difficult to determine whether these represent isolated incidents or a rather widespread practice.

The expression "long-term job" also provokes suspicion because the main preoccupation is immediately earning a salary and UIC stamps. "Long-term" to them implies that they may have to wait a long time before finding a job and, meanwhile, there won't be any at all. This objective should be more clearly explained and they should be assured that, while trying to create these long-term jobs, in the meantime every effort will be made to find them temporary work.

Forty-seven (47) of the people we interviewed were women; of these, 14.9% were between 20 and 24 years old, 40.4% between 25 and 34, 36.2% between 35 and 44 and 8.5% between 45 and 54. Eight are single and 31 married, four of whom have no children;

one is divorced and another separated, both with children; finally, six indicated another marital status.

In terms of education, 29.8% of these women had eight years or less schooling, 34.0% had over eight years but had dropped out of high school, 31.9% had completed high school and 4.3% had some post-secondary education.

Thirteen of the interview subjects were men; 30.8% of them were between 15 and 19 years old, 30.8% between 20 and 24, 7.7% between 25 and 34, 15.4% between 35 and 44 and 15.4% between 45 and 54. Six are single; four are married and all except one have children; and three indicate another marital status with two of them having children.

As for schooling, 30.8% had eight years or less, 38.5% had completed Grade 9 and 23.1% finished Grade 12. It should be noted here that we found four people under 20 who only have a Grade 9 education -- a sign of the school dropout problem we discussed earlier. And in the 20-24 age group, one only had Grade 7 and another Grade 8.

Of the 60 respondents, 34 had contacted the Adjustment Centre and 26 had not. This is a rather surprising revelation since, in theory, all the Peninsula people are supposed to be registered at the Centre; subtracting the ten in Kent and the Southeast ineligible to register, that still leaves 16, 26.7% of whom said they had no contact with the Centre. This would appear to be explained by the fact that in many cases employers registered their employees at the Centre without the workers necessarily being aware of it. Of the 34 who had been in touch with the Centre, seven were contacted without having previously registered. Two thirds expressed satisfaction with the services they obtained while the remaining third was dissatisfied, in most cases frustrated because of a hard time landing a job on a project.

Only 18 respondents contacted the Employment Centre and in some cases, they were redirected to the Adjustment Centre. These were satisfied with their treatment at the Employment Centre, though some said they were dissatisfied with the service because there were no jobs.

All except one found work. Only 20 (33.3%), however, said they found a job on a project, whereas the others said they found work, but not on a project. This statement is important because it confirms other observations we made, i.e. that many of the people interviewed say they did not benefit from a special program. Yet, in the case of fish plant projects, the employers themselves sent their employee lists to the Centre so that

employees might not have known they were working on a fish plant project. Some of these employees subsequently malign the program, saying they weren't able to benefit from projects. In the event such a program is renewed, it would be worth making sure that workers are effectively informed that they owe their jobs to a subsidized project.

Even though the people often worked for a lower hourly wage on the project, they nonetheless felt satisfied with the assurance of working a 40-hour week.

Four of the interview subjects had taken a work orientation course offered during the project; three said they were very satisfied and one saw no point to it.

All participants unanimously expressed satisfaction with how their employer had treated them. Seventeen of those questioned were unionized and 41.2% were satisfied with their union, whereas the majority was dissatisfied, complaining that the union was protecting an elite and did not give its members enough information about their rights. It should be recalled that when these interviews were being conducted, a battle was raging within the CSAWU with some members seeking affiliation with another union.

A large number of those questioned, or 41.7%, consider they had no problem finding a job. These people have extensive experience in the plants and are often the first to be called back each year. Yet 56.7% of the respondents say they had trouble finding work and cited various reasons: don't speak English; lack of experience in other fields; no means of transportation; health problems; salary too low for the work; favoritism in selecting employees; lack of training; or quite simply, a job shortage in the area.

Transportation is seen as a problem by 23% of the respondents who either lack a car or driver's license and live a long way from the workplace. Others say they have no problem. One must point out, though, that fish plant workers often organize car pools and pay the vehicle's owner.

To our surprise, only 12% think that child care is a problem for them, either because of a shortage of skilled, reliable baby-sitters or because of their high cost (up to $80 a week), or because the area lacks a day-care service.

As for determining what work they enjoyed the most, 58% liked working at the plant and didn't want to change jobs. The others expressed inclinations for the care sector (geriatrics or

hospitals), secretarial or hospitality industry work, factory work (clothing, shoes, etc.) or day jobs.

These people all have experience in fish plants with the extent depending upon their age: less than one year for the 15-19 age group, 2.9 for those 20-24, 8.3 for those 25-34, 10.1 for those 35-44 and 11.5 for those 45-54.

During the past five years, 85% said that they had worked regularly enough. Three percent (3%) had not worked regularly because they had to stay home following a pregnancy and 12% were unable to talk about the past five years because they had been on the labour market for only two or three years. Of the people who worked, 28% had worked only in the plants with the remainder having worked at a minimum of two jobs, very often the plant and a community project.

An overwhelming majority of participants (83%) said they wanted to work year round because they saw a permanent job as an opportunity to raise their standard of living. They especially want income security, a stable work schedule and the chance to be able to plan by drawing up a budget. They see year-round work as a way of bettering themselves and getting out of the employed/unemployed routine to which they are accustomed. We found considerable anxiety about the future of the fish plants. The remaining 17% do not want to work year round because they value having time at home while drawing UIC benefits.

The wage sought for this type of work ranges from $4 to $10 per hour, with a big bulge around $6, the rate most commonly paid in the fish plants.

Most respondents, or 62%, would like to finish school, while 35% said they weren't interested and 3% said they had already completed their education but cited problems finding work in their specialty. The highest percentage of those interested in completing their education is found in the 20-24 (64%) and 25-34 (70%) age groups; this percentage drops to 58% in the 35-44 and 50% in the 45-54 and 15-19 brackets.

It was pointed out to us that finishing school would not be too complicated if the courses were offered in the immediate area. Among the obstacles to schooling mentioned we find transportation, young children at home and financial problems. In the latter case, they fear the loss of UIC benefits, or simply the delay in collecting them.

The vast majority of participants (88%) were drawing UIC benefits at the time of the interview, while the remainder had not

accumulated enough workweeks to be eligible or, quite simply, were still employed. On average, they had 8.3 more months of benefits left; 40% still had 10 or 11 more months, 13.4% had 8-9, 20% had 6-7, 11.7% had 5 months and 3.2% had 4. The overwhelming majority of them should therefore be able to make do until the fish plants reopen in the spring.

During the past five years, 70% of participants have collected UIC benefits every year, 28.3% for less than five years (due primarily to their young age) and only one person (a student) had never drawn any.

2.6 PROGRAMS AVAILABLE AND IMPLEMENTATION SYSTEM

According to the Agreement signed between the Government of Canada and the Government of New Brunswick, the federal Department of Employment and Immigration agreed to commit $2 million through its Job Strategy program and the New Brunswick Department of Labour matched that amount through its Response 2000 program while ensuring that other Job Development projects in the province would give priority to the fishing industry and its workers. The intention in both cases was to create long-term jobs.

2.61 Federal Job Strategy Program

Although the federal Job Strategy program embraces numerous subprograms, only one, Job Development, was used to finance all the approved projects. Of the 40-odd projects approved in the three regions, only six had long-term prospects: they helped train people for job activities that should normally continue for many years ahead. These six projects stemmed from the private sector. All the other projects involved short-term activities submitted by non-profit organizations. This Job Development subprogram is well adapted to the objectives we should set in developing the economies of the target regions, insofar as we can manage to interest more private businesses, at least for the long-term outlook. We also pointed out above that the $50 per week/person for general expenses (supplies, etc.) is considered insufficient by agencies using the program and this may constitute a hindrance to its implementation. On the other hand, the Job Strategy program includes many other subprograms that could be used more and cover nearly all the needs associated with

job creation. These other subprograms were not used within the framework of the Agreement signed by the two governments.

2.62 Provincial Programs

On the New Brunswick side, we agreed to use the Response 2000 program, which has two components: the Industrial Diversification program and the Entreprises program. The Industrial Diversification program has three phases: the general program, the one intended specifically for the fishing industry and the Tourism program. Under the Agreement, these elements were used except for the tourism phase. To avoid any confusion, however, it would be worth sticking to a single name for this program, sometimes called Response 2000, sometimes Partners 2000. We recommend Partners 2000, which seems to be the most widely or the only one used. On the other hand, we think that it would benefit the programs to have them more precisely defined since the distinctions between the Diversification program and the Entreprises program are not clear in terms of their objectives (almost identical) nor in most of the other criteria adopted. If the basic difference is that the former is intended for the processing industry and the latter for the service (and/or primary) sector, it should be spelled out. In both instances, we content ourselves with the phrase "employers from the private sector" without specifying more; this can be confusing.

The Entreprises program aims at creating long-term jobs, yet it is too early to say that it has achieved its objective. To do this, we would have to see whether the jobs last after the payments end -- which can only be verified in several weeks or months, depending upon what stage the projects have reached. In principle, however, the jobs created are normally permanent jobs, albeit seasonal in some cases.

The Entreprises program also has an middle eight-week period during which the salary must be entirely paid by the employer: the program only contributes to the initial and final stages. This is a very interesting approach with the result that, in practice, the program creates at least 34 weeks of work while salary cost-sharing only covers 26 weeks.

As for the Industrial Diversification program, the general phase achieved its objectives in most cases in which it was involved; with a few exceptions, the jobs created are permanent, yet many of them seasonal. The problem this program encountered was

difficulty in delivering permanent jobs quickly; on the one hand, many project applications were rejected because they did not qualify and, on the other, even among the approved projects, some are not being carried out for various reasons, or are not creating as many jobs as planned, so that the final result has fallen short of expectations. We attribute this state of affairs primarily to the fact that a company in the processing industry needs much longer time frames to plan new production, so that it must be approached considerably earlier if it wants to create jobs at times when we think we need them most. According to our discussions with many company officials, they should be approached during winter and by January at the latest.

The Diversification program intended specifically for fish plants proves to be more effective, undoubtedly because of cumulative experience with fish processing and markets, so that new production can be planned much faster. The best time to contact these companies is between November and February, when production is practically at a standstill and planning for the new production season is under way. One must, however, tread more cautiously in the field of crab because of both our lack of knowledge about the resource's abundance and market fragility.

It is not evident, however, that real diversification is always involved and we think that, above all, companies should be encouraged to process more of the species they are already handling or shift to species they have not yet fished. In both cases, a major research effort is needed -- a topic we will return to below.

As for the implementation system, it basically consisted of three components: the Shippagan Employment Adjustment Centre, Employment and Immigration Canada and the New Brunswick Department of Labour.

The Adjustment Centre's purpose was to collect job applications from surplus fish plant workers. The Centre was established too hastily with the result that employees arrived at work on the morning of May 9 to find a long line of people looking for work jammed against the door. This deprived the staff of any chance to prepare themselves properly, so that they often had to make do as best they could. Despite these difficult circumstances, we think they quickly succeeded in adopting a coherent operating procedure and establishing criteria that allowed applicants to be classified under various priorities.

As a general rule, the Centre had less contact with employers looking for workers. Employment and Immigration sent employers benefiting from a project a list of employees from which they had

to select those they needed. The Adjustment Centre supplied these lists to the Employment Centre. As a general rule, the system operated rather well and we came across no criticism about the way it worked as such, with the exception of one union and several employees who claim that employees obtained positions, not on the basis of objective criteria, but through political interference.

What we question is not the Adjustment Centre's operations but its very existence. As we show in the following section, the unemployment problem afflicting the fishing industry is neither new nor temporary. We are witnessing a deep-rooted industrial crisis that calls for long-term action aimed, on the one hand, at stabilizing the fish-processing industry and, on the other, at reorienting a large part of its work force to other spheres of activity. Yet we set up an intervention mechanism that was available to people for only a few weeks and, because of its short lifespan, leads one to suspect it was a "stamp handout". One would like to say that the strategy has changed and that we now aim to provide long-term jobs for the people concerned, yet the ephemeral nature of the mechanism, and the attitudes of certain employers, (who lay workers off as soon as they have accumulated enough stamps) and even certain officials (who, when interviewing workers, openly ask how many stamps they need), clearly point to a short-term goal. If we want to change ways of thinking and attack the problem facing the fishing industry head-on, we have to rethink our approach and adopt a strategy that favors the long term while maintaining short-term assistance, with both objectives dependent upon very distinct intervention mechanisms. We think that another Adjustment Centre should not be established and that Employment Centres exist precisely to publicize job supply and demand.

3. CONTEXT

The Agreement signed between the two levels of government aims "to meet the employment adjustment needs of the province's fishing industry," specifying that "very special attention will be given to the province's crab industry".* At the origin of the special efforts that have been made for three years to create jobs during the summer, one must note the large drop in snow crab production due to a significant depletion of stocks. We will therefore attempt to assess the extent of the problem and situate it among the general problems of the fishing industry.

In addition, the people who are the victims of the problem are often poorly equipped to deal with it and need considerable training, which we will attempt to indicate.

Finally, our observations lead us to think that the fishing industry is a subculture with its own rules and habits -- a subculture that must briefly be described to understand it better and approach it more effectively.

3.1 THE CRAB INDUSTRY

We were surprised to see how hard it is to gather accurate information about employment levels in the fishing sector; the official numbers customarily refer to the minimum and maximum number of jobs without taking into account for how long each individual really worked. It would be preferable to compile these statistics based on the number of hours each person worked, which could then be expressed in weeks and years. For want of accurate data, we assessed employment trends in the industry from 1982 to 1987 by using an anonymous Department of Labour document dated February 11, 1988 and entitled Crab Fishing Industry-Briefing Notes, a March 18, 1986 study prepared by the New Brunswick Job Protection Unit and entitled Review of Employment in the Crab Industry and, lastly a report submitted to the New Brunswick Development Strategy Committee under the title An Economic Development Strategy to the Year 2001. According to the figures we have, the number of workers in the crab industry fell from 8,000 in 1982 to 2,900 in 1987, while the number of workweeks dropped from 16.2 in 1982 to 6-8 in 1987 (we take 7 as an average) and the length of the workweek shrank from 40 hours to 18.

Converting these figures into 40-hour person/weeks yielded the following results:

1982	129,600 person/weeks
1985	38,675 person/weeks
1986	13,200 person/weeks
1987	9,135 person/weeks

While we have no statistics for the 1988 season, employment is believed to have again declined to probably about 2,605 jobs. Employment has therefore plunged dramatically by a factor of 14 such that the industry could provide 12,960 ten-week jobs in 1982

but only supplies 914 now. During this period, the volume of snow crab landed dropped from 20,800 metric tonnes in 1982 to 7,219 tonnes in 1987 (according to the Fishery Department report). This sizeable depletion of the resource was accompanied by higher production of sliced crab at the expense of crab meat, and by more advanced production automation -- whence the steep decline in jobs. There is no indication that the 1988 season was any better; on the contrary, according to the official Fisheries and Aquaculture Department forecasts published in the above-mentioned report, we can at best expect stocks to stabilize by 1993 and possibly deplete at a faster rate. This problem confronting this industry is therefore neither small nor temporary. Accordingly, its solution calls for a long-term approach.

In that light, the jobs created in 1988 under the program governed by the Agreement between the two governments represent 14,148 person/weeks, or 11.7% of the number of person/weeks that would have to be created to return to 1982 levels. Furthermore, many of these person/weeks are not long-term and the effort would have to be renewed year after year.

It must be added, however, that some of these person/weeks have been recovered in other ways, since private companies specializing in crab have always added other kinds of fish to their production to remain profitable. In so doing, however, these plants also run into the problem confronting the entire fishing industry: stocks of the different Gulf species are nearly all down due to the overcapacity of the fishing fleet and processing infrastructures of a nature such that attempts to recycle have been complicated by several parties fighting over the same "fishtail"!

According to the data we compiled for the 1988 program, the creation of 14,148 person/weeks cost $3,540,237, or $250.23 per person/week. Filling the gap between the person/weeks available in 1982 and 1988 within the crab industry would cost over $30 million. And here we're only talking about supplying jobs for ten weeks -- aiming for a normal economy that operates year-round while assuming a jobless rate equivalent to the provincial average would carry a much higher price tag.

On the basis of these few statistics, it seems clear to us that a tremendous effort must be made, and it should be undertaken as part of a strategy to stabilize employment in the fishing industry and reorient a large portion of its work force to other areas of the economy. It is difficult to arrive at an accurate estimate of the number of people working in the industry. According to Department of Fisheries and Aquaculture figures,

there are a maximum of 6,648 workers in Region 1, 4,487 in Region 2 and 2,014 in Region 3, for a total of 13,239 in the province. Now, according to the UIC figures for November 7, 1988, there were 6,048 people collecting unemployment insurance benefits after working in fish plants in the three areas covered by our study (the provincial Department's Regions 1 and 2), compared to 11,135 in Department statistics. We believe that the official figures are inaccurate and that, in many cases, the same employees are counted twice either because they can work in more than one plant during the same year, or because they work on different production lines within the same plant. It seems to us more realistic to think that there are roughly 8,000 fish plant jobs in the three areas under study: about 4,000 in the Peninsula, 1,500 in Kent and 2,500 in the Southeast. We arrive at these numbers on the basis of the UIC statistics, which we artificially increased to account for fish plant workers who are ineligible for UIC benefits or have been classified under some other industry in which they acquired the final stamps they needed. One thing is certain: there is a surplus of labour in the fishing industry and we must estimate the number of viable jobs it can support while redirecting the rest of the workforce, i.e. at least 2,000 people, towards other sectors. We must think in terms of restructuring the economy along most of New Brunswick's East Coast and any such effort must be based on well-planned dialogue spread over several years -- at least five, ten to be more realistic.

3.2 EDUCATIONAL NEEDS

One of the major problems encountered in planning to restructure the economy of the target areas is the low level of education of a large portion of their population. According to the 1986 census, the number of people 15 years old and over who had not reached Grade 9 -- UNESCO's definition of functional illiteracy -- amounted to 16,295 (or 39.6% of the population) in the Peninsula, 9,220 (38.7%) in Kent and 6,825 (27.6%) in the Southeast. Particularly in the Peninsula and Kent, therefore, the functional illiteracy rate is unusually high. The rate is even higher in some subregions, such as northern Kent County where it reaches 46.5% in the village of St-Louis, 44.3% in the civil parish of Richibouctou and 41.4% in the civil parish of Carleton; it is also very high in some Peninsula subregions such as Paquetville (50%), Shippagan parish (49.8%), the Alnwick area (49%) and Inkerman parish (45%). The comparable rate is 17.3% nationally and 23.9% provincially. One quarter (25.8%), or 33,195, of New Brunswick's functional illiterates are located in these three areas, with almost half of them (49.1%) in the Peninsula.

This lack of education is a major obstacle to development and should be removed at the same time as we plan to restructure the economy.

These figures confirm those collected by the Shippagan Employment Adjustment Centre, according to which 46% of the workers registered there came from the area defined by School Commission No. 6. Of the people registered at the Adjustment Centre, 15% had six years or less of schooling, 47.3% had at least Grade 9 and 64% had nine years or less. We have a hard time seeing how redeploying part of this workforce in other activity sectors can be done without taking large-scale action in the area of the education.

3.3 THE WORLD OF FISHERIES: AN ECONOMIC SUBCULTURE

The world of fisheries has some very special features that make it a subculture in our province's economic sphere. Its most well-known characteristic is its seasonal nature. The fishing industry, with rare exception, has always operated on a seasonal basis in the areas under study; we might even add that its seasonal nature has increased in recent years as there are now less weeks of fishing and plant production than there were a few years ago. And, as a general rule, the people of these areas cannot turn to an industrial activity that operates year-round -- even in other activity spheres. The work ethic is therefore strongly colored by a perception of work as an opportunity to become eligible for unemployment insurance benefits, which constitute the major source of annual income as we have shown.

This industry is further characterized by a lack of job security and the erratic nature of its schedules. People employed by a fish plant are, in principle, always on call; they dare not go far from home for too long so that they can be sure of getting to the plant if their services are needed. The call might only mean a few hours of work; yet they still have to go for fear of losing their position in the fish plant or seniority if unionized. The trip to the plant entails transportation and, very often, babysitter costs. The resulting net pay does not always amount to much. It should scarcely be astonishing then that the important thing becomes collecting the precious stamps that provide some financial security and a more stable schedule without having to pay transportation or child care expenses. For a large majority of these people, unemployment insurance benefits and not wages represent the most important income they must earn, whatever the cost. The popular expression "10/42" neatly epitomizes the general mentality.

We also find in the industry a certain degree of habits and ways of doing things that are more or less illegal, difficult to detect and prove because most people are afraid to discuss them, for obvious reasons, and because it all has to be done under the table. The silence is explained by everyone benefiting from it. There are instances of stamp trafficking in which the employee is forced to "buy" UIC benefits from the employer; also instances of hours worked during two or more weeks being credited to the same week so that a stamp can be issued or a higher stamp earned.

A fisherman can also force a fish plant's hand by agreeing to sell his product to the plant under certain conditions, including keeping his wife and/or a son or daughter on the plant payroll.

Stamp trafficking also implies laying off workers immediately after the tenth week of work so that stamps can be given to the greatest possible number. The plants must do this in order to keep the largest number of workers they can for future years and to be able to rely on them, particularly at special times when production (herring, for instance) requires a large number of people in a short time.

Consequently, it should not be surprising that the same practices tend to seep into other spheres of economic activity. We were told on several occasions that employees considered it normal to be paid for hours in which they did not work. The '87 crop of projects was especially favorable to this type of "traffic in correct procedures".

We are not in a position to assess how strong a grip these more or less illegal activities have on economic life, and one can be quite certain that the unions and employers think it isn't happening at their plant. Regardless, an imagination so fertile in concocting new "techniques" induces us to try to understand the underlying motivation. Basically, most exert themselves at a tough job whose working conditions are not always very pleasant and whose real pay is often disappointing; these people, like any human being, want to attain a minimum of well-being yet have to content themselves with a meager salary, and have a hard time improving their situation because they very often have a quite limited education. This means they have to be shrewd to earn the strict minimum and unemployment insurance plays a key role in their victory, with a job simply being a ticket to UIC benefits, which ensure a stable income for the remainder of the year. These people are struggling to survive with the scant means they possess!

The social stratification of this population rates membership in the group drawing UIC higher than those dependent upon social welfare benefits. By giving these people a little bit of training, social mobility might push them towards a level considered even more "honorable" -- that of a full-time job. Yet the problem remains ensuring that such a job is available.

This is not a very healthy climate for economic development. It can be changed, however, to the extent that we create longer-term activities offering more stable working conditions and salaries at least equivalent to what the fish plants pay. For, if some of these people (a minority, in our opinion) are content with living that way, we found numerous signs tending to indicate that many have had enough of 10/42 and aspire to a permanent job which would give them a reasonable income along with less insecure and more satisfactory working conditions. We detected this weariness with the system among the unions and workers we questioned. This subculture is deeply ingrained, and can only be uprooted if pressure is exerted to change the employment environment until it can offer more or less normal working conditions.

In these same 10/42 circles, we were given numerous examples of permanent job offers triggering an avalanche of applicants.

Naturally, the current atmosphere is not exactly typical of a classic community governed by the work ethic. Yet one cannot blame people for not choosing something they are not being offered.

4. RECOMMENDATIONS

The statistical data we consulted clearly shows that the problem of underdevelopment is particularly widespread in two of the three regions covered by this study. There has been a dramatic reduction of jobs in the crab industry, which has primarily affected the Peninsula where 60% to 70% (and 50% in Kent) of the jobs in the economic base are fishing-related. Employment in both these regions is highly seasonal and, in recent years, fishing-related jobs have become even more seasonal. These two regions have been ranked as having the two highest indices of economic need in the province: 1.85 in the Peninsula and 1.73 in Kent. They are also the parts of the province where the highest

percentage of people live off unemployment insurance: 33.6% in the Peninsula and 32.2% in Kent; estimates place just fishing-related UIC benefits in the Peninsula at about $70 million annually. These are also the areas with the highest average annual social assistance payments per family: $860 in the Peninsula and $855 in Kent; and with the lowest average number of weeks worked: 15.2 in the Peninsula and 15.9 in Kent. We have also indicated that in both these areas the functional illiteracy rate is very high and that in certain subregions, half the population may be functionally illiterate. For all these reasons, due to the importance of the fishing industry in these areas and the magnitude of the problems it faces, we have to adopt a long-term approach involving a major effort if we intend to correct the situation.

The entire Southeast region is in a better position due to the proximity of the Dieppe-Moncton-Riverview urban area and the permanent jobs found there. Some coastal communities, however, call for special attention.

Furthermore, the Peninsula has a larger population than Kent County and its fishing industry is vital for the economy since it accounts for roughly half the volume and value of provincial landings. Any intervention should therefore give priority to this region and, in our opinion, swift action is required before the situation gets any worse.

The stakes for the Province are high: in 1987 fishing industry exports were valued at $357 million, or 12% of the provincial total, with the Peninsula accounting for roughly half of them.

Some very positive factors make it appealing to become thoroughly involved: the formation of two consortiums combining most fish plants is calling for initiatives, not only in access to resources within the 200-mile limit, but also in other forms of cooperation that could range from establishing the means of developing finished products to adopting a market study or marketing strategy; the Mouvement Coopératif Acadien has expressed interest in setting up a development and investment corporation; human resources have displayed considerable ingenuity in expanding their markets worldwide and have a wealth of extensive experience in every aspect of fishing. The industry's stability depends on stable stocks and a reduction in overcapacity. It is important to steer the fishing industry's surplus human resources towards other activity sectors. The fish

plants should operate with fewer employees and guarantee them more weeks of work and more hours of work per week.

The role of aquaculture in the Peninsula and along the entire East Coast is very modest. And yet, according to an Employment and Immigration Canada report entitled New Brunswick Economic and Labour Market Outlook, "...progress in the field of aquaculture is an important avenue for the expansion of the New Brunswick fishing industry... The industry...is in the order of $46 million. The Provincial Department of Fisheries expects the industry to be worth about $100 million within two years" (pp. 23-24). Unless the East Coast becomes more involved in aquaculture, it may lose the important position it now holds in the fishing industry. Its future depends upon a major effort in aquaculture.

Support for the development of finished products and their marketing should also be intensified, as should the use of currently underutilized species.

We think it important for any action taken to clearly distinguish between what has to be done in the long term towards diversifying the economic base and what is necessary in the short term to provide jobs until natural market forces succeed in creating long-term employment. In view of the extent and depth of the problems we encountered, we think that a minimum of five years -- and to be more realistic, ten -- should be allowed for a major effort aimed at correcting the socioeconomic situation.

The contexts into which the short and long-term efforts fall are very different, with the former aimed at solving a social problem and the latter at creating viable permanent jobs. In the action taken last summer, the juxtaposition of both frameworks was able to promote solving the short-term problem, namely the pressing need to create jobs in order to make the largest number of people possible eligible for UIC benefits, yet at the expense of the long-term approach.

On the other hand, the urgency of short-term social needs is difficult to reconcile with the length of time required to create viable permanent jobs. It is hard to imagine a situation in which a vigorous economy would quickly succeed in creating the number of viable permanent jobs needed to absorb the surplus of fish plant workers.

We estimate that about 2,000 fish plant workers will have to be redirected to other activity sectors: about 1,500-1,600 in the Acadian Peninsula and the remainder in Kent and the Southeast. The 1,750 people registered at the Shippagan Employment Adjustment Centre are already a clear sign of high water

probing for spillways. Moreover, the limited number of working hours and weeks for each current employee calls for a reduction in the number of fish plant workers in order to increase the number of hours that remaining employees work.

We conclude with the following recommendations:

#1: In implementing a job creation program, clearly distinguish between the effort to create viable permanent employment and the one to supply short-term jobs.

#2: Screen employees for short, medium or long-term jobs through Canada Employment Centres and do not repeat the experience of setting up an Adjustment Centre.

#3: Set up a five-year program for creating short-term jobs (12 to 20 weeks) in the target areas, with the possibility of renewing it for another five years; it should involve Employment and Immigration Canada and the New Brunswick Department of Labour.

#4: Use the Employment and Immigration Job Strategy program and especially the Job Development subprograms, the Job Creation Projects established under section 38 of the Unemployment Insurance Act, and the Job Entry subprogram to create short-term jobs.

#5: Arrange for these programs to contribute $125 per person/week, or be paired with the Regional Development Corporation's Development Assistance programs in order to give approved projects, in addition to salary payments, a sufficient contribution towards the costs of materials, equipment, etc.

#6: For short-term job creation, approach mainly non-profit organizations as well as various government departments and agencies.

#7: In the first year, plan to create about 10,000 person/weeks in the Peninsula, 3,000 in Kent and 1,200 in the Southeast, and subsequently reduce these numbers by 5% annually to take into account the permanent job creation that should be occurring in tandem.

#8: In the fourth year, assess the entire employment situation in the target areas to determine needs as well as whether or not the short-term job creation agreement should be renewed for another five years.

#9: Base long-term job creation on the use of ACOA's Action Program and others such as those included in the Industrial Development Agreement, the Department of Labour's Opportunities and Entrepreneurs programs, and Employment and Immigration's Community Development program.

#10: Ask ACOA to attach more favorable conditions to its program for projects in the target areas in order to stimulate demand for the program in those regions.

#11: Set the objective of creating a minimum of 200 viable permanent jobs per year in the Peninsula and about 100 in Kent and the Southeast.

#12: Establish an Interdepartmental Intervention Committee to devise and periodically evaluate the action in the target areas with representatives from, but not limited to, ACOA, Employment and Immigration, and Fisheries and Oceans on the federal side, and Intergovernmental Affairs, Commerce and Technology, Labour, and Fisheries and Aquaculture on the provincial side.

#13: Promote research into fisheries both by increasing the research effort at the Shippagan Marine Centre and by establishing, in the Peninsula, a fish products research centre in conjunction with the Université de Moncton's Research Centre on food and/or the Research and Productivity Council in Fredericton; and in establishing and operating such a centre, involve the private companies active in the East Coast fisheries and take advantage of ACOA's Innovation Assistance program.

#14: See that both levels of government, in the major works for which they are responsible in those regions (construction of buildings, roads, bridges, power plant, causeway to Prince Edward Island), maximize the benefits in terms of job creation for the target regions and that the documents preliminary to calls for tenders reflect this concern wherever possible.

#15: The provincial government, as the federal government has already done, should decentralize a number of administrative units to the target areas in order to establish permanent jobs there.

#16: The provincial government should examine various other opportunities for creating permanent jobs in those areas by, for instance, considering the possibility, as an alternative to institutionalization, of establishing home-care services for the elderly and by funnelling the federal funding promised for setting up day-care centers.

#17: Plan an extensive training program to increase the employability of people in the target areas; this program should have three main components: basic education, personality development and on-the-job training.

#18: Continue incorporating a three-week training component focusing on personality development into projects submitted by non-profit organizations, on the basis of the Bathurst Community College's 1988 Job Development program, as long as this training is given at times that best suit the employer.

#19: Offer an extensive basic educational program aimed especially at functional illiterates, particularly in the Peninsula and Kent County.

#20: Continue helping employers and employees by offering on-the-job training to facilitate the integration of people who lack the skills needed to fill those jobs.

#21: For that training effort, use various Employment and Immigration programs, particularly the following:

- Job Entry: Entry Option
  Intended for youth.

- Job Entry: Re-entry Option
  Intended for women.

- Job Entry: Severely Employment Disadvantaged Option.

- Job Entry: Challenge: Work Orientation
  Workshops. Intended for dropouts.

- Skill Investment: Steady work.
  Intended for people who lost their jobs.

#22: See that the target areas benefit extensively from spinoffs of the Canada-New Brunswick Agreement on Youth Employment Strategy, plan to establish youth counselling and evaluation centres, and use the various programs under the Agreement, including those aimed at reducing the school dropout rate or providing remedial education.

#23: Provide the people taking training courses with a reasonable income that takes into account any additional costs

such as child care, transportation, etc., stemming from attendance. In the same vein, see that the conditions governing the collection of UIC benefits are made more flexible so that recipients can take courses and that additional benefits are given to cover the costs incurred by taking these courses, or use Employment and Immigration's Income Support program for those in the Job Entry program.

#24: Give these courses and especially the basic education as close as possible to learners' homes.

#25: Maintain the Department of Labour programs in order to give unemployed or underemployed persons easier access to the permanent jobs available, yet define them more clearly in terms of objectives, the businesses that qualify for them and the criteria governing them so that they can be more clearly distinguished from each other.

#26. Due to the importance that must be attached to diversification in the fish product processing industry, plan for a specific diversification program aimed at this industry, which might be called a "fish processing diversification program."

#27: Clearly define the type of diversification we want to see develop in fish product processing by adopting specific criteria that might encourage the processing of underutilized species and/or more advanced processing of traditionally processed species.

#28: The fish product processing diversification program should give priority to employees currently involved in the fishing industry by aiming to increase the number of days each of them works and not by increasing the number of workers.

#29: Allow employers to select from among the widest possible target group of people with special job-related problems -- a group that might be fish plant employees -- and do not force them to hire employees considered "undesirable".

#30: Spark employer interest in these programs as early as possible: ideally in late fall or early winter.

#31: Promote a more permanent presence of Labour Department officials in areas where approved projects are located so as to exercise better control and make sure that the purposes for which the program was designed are fulfilled.

#32: See that approval of an employer's project receives more publicity so that the beneficiary employees are aware of it, either through notices in the workplace or by enclosing an explanatory note with their paycheques.

#33: Particularly for approved projects in the realm of fishing, take into consideration available stocks, markets and Fisheries and Aquaculture's strategies; and particularly avoid involving other employers in crab before knowing more about the resource's capacity to sustain higher production and the market's ability to absorb it.

#34: Adopt a more accurate method of calculating the number of fish plant employees by using each worker's Social Insurance Number to ensure that no one is counted more than once.